V7980-1

NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

Vol. 10 No. 6
July 1989

The Index of Consumer Sentiment

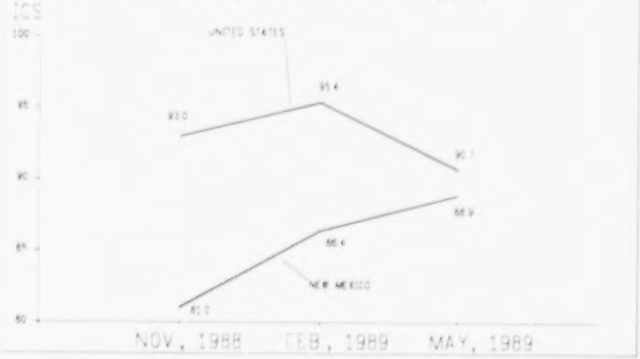
The Index of Consumer Sentiment (ICS) is an index number which serves as a measure of consumer confidence/optimism with respect to the economy. It is based on the idea that economic behavior is influenced not only by economic variables (including income, wealth, inflation and others) but by other factors (called intervening variables) which behave differently than the economic variables, as well. These include perceptions, motivations, past experience, optimism, confidence, expectations and attitudes. Demand depends upon both willingness and ability to buy, which can change independently, so factors which cause willingness to change, but have no effect on ability, can still ultimately have an effect on demand. Intervening variables are such factors. The ICS is an attempt to measure some intervening variables, and is used to predict changes in willingness to buy and therefore demand, particularly the demand for consumer durables. It has achieved moderate success as a predictor of consumer discretionary expenditures in some large econometric models of the U.S. economy.

The ICS has been published since 1949 by the Survey Research Center of the University of Michigan. The Survey Research Center conducts a monthly survey of the continental United States which includes the five questions used to construct the Index. The five questions are:

1. We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are *better off* or *worse off* financially than you were a year ago?
2. Now looking ahead, do you think that a *year from now* that you (and your family living there) will be *better off* financially, or *worse off*, or just about the same as now?
3. Now turning to business conditions in the country as a whole—do you think that during the *next twelve months* we'll have *good* times financially, or *bad* times, or what?
4. Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous *good* times during the *next five years* or so, or that we will have periods of widespread *unemployment* or depression, or what?
5. About the big things that people buy for their homes, such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a *good* time or *bad* time for people to buy *major household items*?

To construct the Index, a relative score for each question is calculated by taking the percentage giving favorable (optimistic) answers, subtracting the percentage giving unfavorable answers, and adding a hundred. The five scores are then averaged, and the result is adjusted to the base period (February 1966).

FIGURE 1
INDEX OF CONSUMER SENTIMENT
U. S. ECONOMY
UNITED STATES AND NEW MEXICO



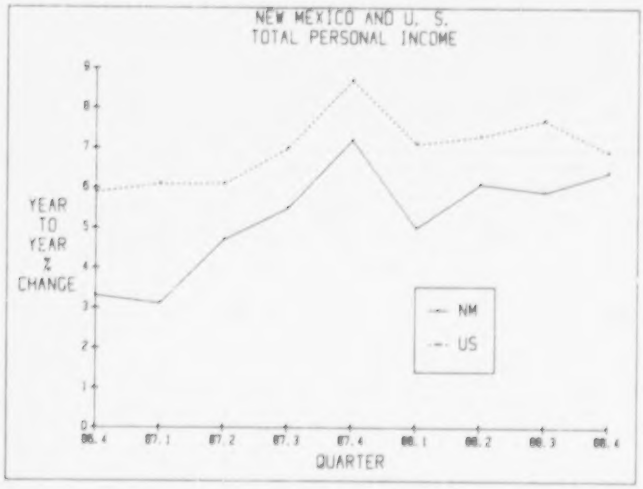
Since November of last year, the Bureau of Business and Economic Research, in conjunction with the Institute of Public Policy at UNM, has been surveying the New Mexico population in order to construct our own ICS, measuring how optimistic are New Mexicans concerning the U.S. economy. We conduct the surveys every three months, and so have completed three. The results appear in Figure 1, along with the ICS based on a national sample which is conducted by the Survey Research Center. During November, 1988, the United States ICS (upper curve) stood at 93.0, and the New Mexico ICS (lower curve) at 81.0. New Mexicans were much less optimistic about the economy than was the country as a whole. During February, 1989, both groups became more optimistic, with New Mexicans showing the larger increase. During May, the country as a whole became considerably less optimistic, while New Mexicans became more so. This seems consistent with other trends; while the U.S. economy has slowed sharply this spring, New Mexico's economy, as measured by nonagricultural employment, continued to expand at a moderate 2.4 percent rate.

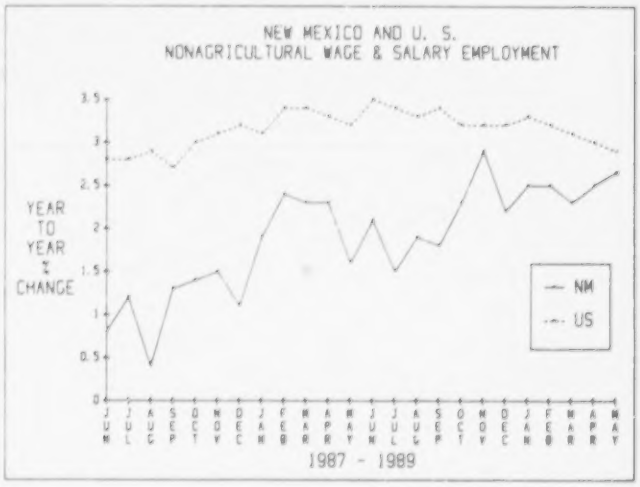
Beginning with our May survey, we are now also constructing an ICS for the New Mexico economy. We created two additional survey questions (numbers 6 and 7) by replacing the phrase 'the country as a whole' with 'New Mexico' in questions 3 and 4 above, and then calculating an ICS using questions 1, 2, 5, 6, and 7. We discovered that, as a whole, New Mexicans are more optimistic about the New Mexico economy than they are about the national economy. However,

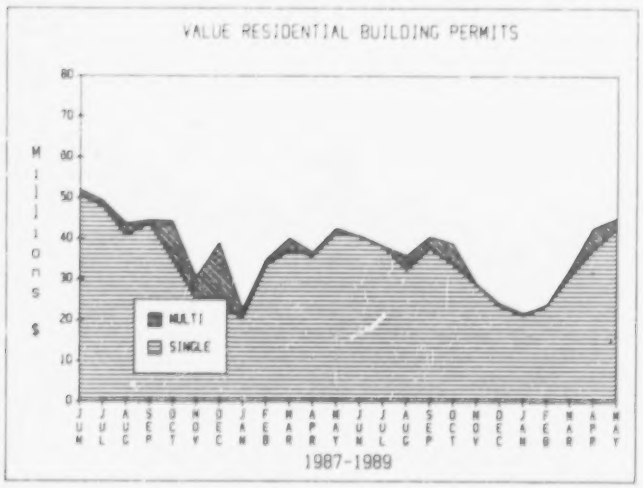
(Continued on Page 8)

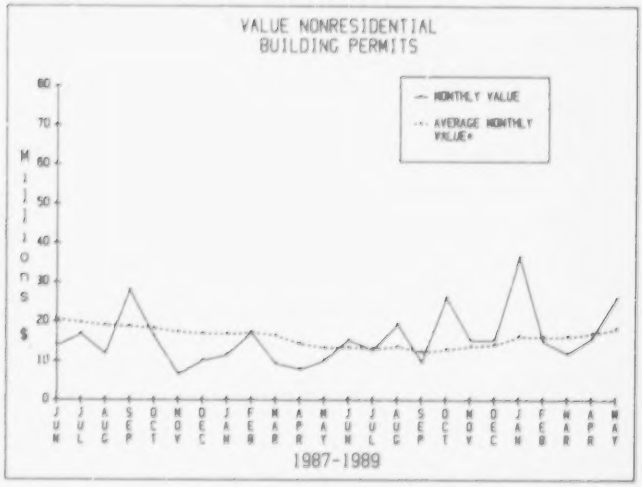
Bureau of Business and Economic Research, Institute for Applied Research Services
The University of New Mexico, Albuquerque, NM 87131
Main Office: (505) 277-2216 Data Bank: (505) 277-6626

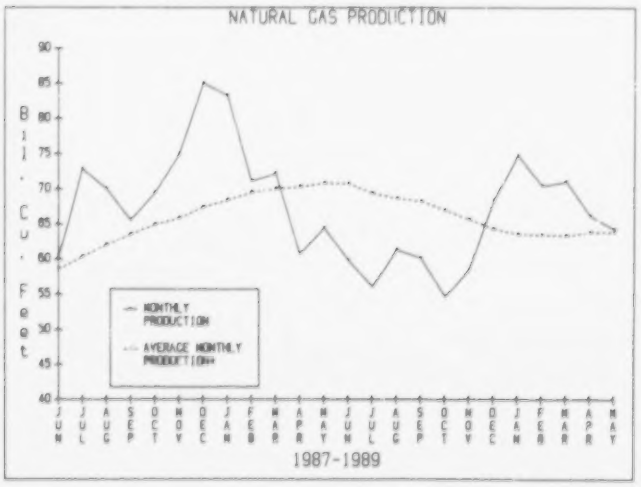
ECONOMIC TRENDS IN NEW MEXICO

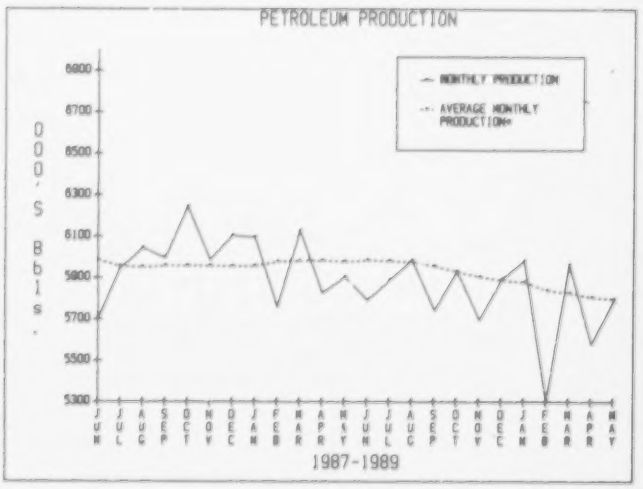












* 12 month moving average. For example, the point for August, 1988 represents an average of data from September, 1987 through August, 1988.

U.S. ECONOMIC INDICATORS

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/ QTR DATA
Consumer price index				
All urban consumers (1982-84=100)				
All items	May 89	123.8	5.4	123.1
Food and beverages	May 89	124.7	6.5	124.0
Housing	May 89	122.1	3.7	121.6
Apparel and upkeep	May 89	120.4	3.5	120.9
Transportation	May 89	116.0	7.3	114.6
Medical care	May 89	147.5	7.3	146.8
Entertainment	May 89	125.5	4.8	125.4
Other goods and services	May 89	145.4	7.6	144.7
Revised series, wage earners and clerical workers (1982-84=100)				
All items	May 89	122.5	5.4	121.8
Gross national product* ($Bil. constant)	Q1 89	4077.5	3.1	4033.4
Prime interest rate** (% per annum)	May 89	11.5	27.8	11.5
Mortgage interest rate*** (% per annum)	May 89	10.2	13.7	10.2
3 month treasury bill# (% per annum)	May 89	8.4	34.0	8.7
Industrial production## (1977=100)	May 89	141.4	3.9	141.4
Manufacturers new orders## ($Bil.)	Apr 89	239.8	10.5	233.0

NEW MEXICO AND U.S. COMPARISONS

		NEW MEXICO			UNITED STATES		
	CURRENT MO/QTR	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
Employment (000)	May 89	646.6	3.0	635.7	117,039	2.5	116,347
Unemployment rate (%)	May 89	6.5	-21.7	7.0	5.0	-7.4	5.1
Nonagricultural employment (000)	May 89	533.3	2.6	550.7	108,629	2.9	107,936
Personal income### ($Mil.)	Q4 88	19,472	6.4	18,956	4,172,895	6.9	4,077,502
Housing units permitted							
Single	May 89	541	-1.5	503	94,337	-4.3	89,021
Multi	May 89	95	196.9	310	39,590	2.5	32,453

Note: Selected data items subject to revision.
N Not available.
* 1982 dollars at seasonally adjusted annual rates.
** Closing rate for month.
*** Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.
# Rate on new issues within period; bank discount basis.
Monthly data seasonally adjusted.
Quarterly data seasonally adjusted at annual rates.
Sources: U. S. Department of Labor, News: CPI data;
New Mexico Department of Labor and U. S. Bureau of Labor Statistics: employment and unemployment data.
U. S. Department of Commerce, Bureau of Economic Analysis: income data;
U. S. Department of Commerce, Bureau of the Census: construction data.
U. S. Council of Economic Advisors, Economic Indicators: all other data.

NEW MEXICO ECONOMIC INDICATORS

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE# 12 MONTH AVERAGES
1. GENERAL					
Civilian labor force* (000)	May 89	691.3	1.0	683.7	1.0
Total employment* (000)	May 89	646.6	3.0	635.7	2.4
Unemployment* (000)	May 89	44.6	-21.3	48.0	-13.8
Unemployment rate (%)	May 89	6.5	-21.7	7.0	-15.1
Weekly new unemployment insurance claims	May 89	978.0	-9.3	1198.0	-5.6
Nonagricultural wage/salary employment**(000)	May 89	553.3	2.6	550.7	2.2
Personal income*** ($ mil.)	Q4 88	19472.0	6.4	18956.0	5.9
New business incorporations	Mar 89	259.0	6.6	203.0	2.5
Business failure liabilities ($ 000)	Nov 88	11565.0	601.8	168266.0	303.9
2. AGRICULTURAL RECEIPTS					
Livestock and products ($ mil.)	Mar 89	119.9	7.0	106.0	4.5
Crops ($ mil.)	Mar 89	21.7	31.5	16.5	13.2
Total ($ mil.)	Mar 89	141.6	10.1	122.4	6.8
3. MINING					
Employment** (000)	May 89	15.2	-0.7	15.3	0.7
Average hourly earnings ($)	May 89	12.44	2.0	12.41	7.6
Petroleum production (000 bbls.)	May 89	5792.5	-1.9	5579.7	-3.0
Natural gas production (bil. cu. ft.)	May 89	64.3	-0.3	66.2	-9.9
Coal production (000 short tons)	May 89	2379.0	48.5	2005.0	4.7
Oil well completions&	May 89	38.0	-13.6	29.0	-16.4
Gas well completions&	May 89	46.0	170.6	23.0	33.5
Total footage drilled&& (000)	May 89	395.6	3.2	375.8	-2.4
Oil sales ($ mil.)	Mar 89	100.5	13.3	81.7	-16.7
Gas sales ($ mil.)	Mar 89	94.7	-17.7	109.3	-18.0
4. CONSTRUCTION					
Employment** (000)	May 89	29.9	-2.6	29.2	-5.1
Average hourly earnings ($)	May 89	10.97	-2.5	11.35	3.8
Residential units permitted	May 89	636.0	9.5	813.0	-19.3
Residential building permits ($ mil.)	May 89	45.2	5.9	42.8	-14.0
Nonresidential building permits ($ mil.)	May 89	26.0	154.9	15.8	37.1
Residential construction contracts ($ mil.)	May 89	56.7	21.4	37.6	-2.6
Nonresidential construction contracts ($mil.)	May 89	23.9	-41.7	30.3	-6.5
Nonbuilding construction contracts ($ mil.)	May 89	21.0	-58.7	28.6	16.8
5. TRANSPORTATION/COMMUNICATION/UTILITIES					
Employment** (000)	May 89	28.6	-2.1	28.7	-1.4
Average hourly earnings## ($)	May 89	13.75	1.8	13.56	2.8
6. MANUFACTURING					
Employment** (000)	May 89	40.7	3.8	40.4	3.1
Average hourly earnings ($)	May 89	8.69	-1.6	8.74	-0.7
Electric & electronic equipment employment** (000)	May 89	5.7	7.5	5.7	9.8
Transportation equipment employment** (000)	May 89	5.3	3.9	5.4	8.2
Food & kindred products employment** (000)	May 89	3.7	2.8	3.7	0.0
Textile & apparel employment** (000)	May 89	2.6	-3.7	2.6	0.0
Lumber & wood products employment** (000)	May 89	2.5	0.0	2.4	-3.8

NEW MEXICO ECONOMIC INDICATORS (continued)

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	% CHANGE# 12 MONTH AVERAGES
7. TRADE					
Wholesale employment** (000)	May 89	23.4	0.9	23.4	1.3
Retail employment** (000)	May 89	110.7	4.3	108.8	3.3
Average hourly earnings ($)	May 89	6.73	2.9	6.76	-1.1
8. FINANCE/INSURANCE/REAL ESTATE					
Employment** (000)	May 89	27.5	1.9	27.5	1.5
Bank average hourly earnings ($)	May 89	6.70	11.7	6.70	7.7
Bank total assets ($ mil.)	Q1 89	10248.0	5.4	10168.5	4.3
Bank total deposits ($ mil.)	Q1 89	8617.0	3.8	8642.7	3.4
Bank net loans ($ mil.)	Q1 89	5638.0	0.9	5748.2	N
S & L total assets ($ mil.)	Apr 89	5306.0	-9.2	5296.0	-8.6
S & L total deposits ($ mil.)	Apr 89	4531.0	-6.3	4525.0	0.6
S & L new mortgage loans closed&&& ($ mil.)	Apr 89	77.0	0.0	93.0	-6.4
9. SERVICES AND TOURISM					
Total service employment** (000)	May 89	132.0	3.7	131.2	3.9
Lodging employment** (000)	May 89	12.0	5.3	11.5	0.9
Eating & drinking places employment** (000)	May 89	43.1	6.7	42.1	5.3
Visits to state parks (000)	May 89	633.9	14.6	373.7	N
Visits to national parks/monuments (000)	May 89	221.7	4.4	170.5	7.2
Passenger traffic at Albuquerque airport@ (000)	May 89	389.9	7.5	356.0	5.5
Lodgers tax receipts### ($ 000)	Q1 89	2080.7	11.8	2542.4	15.0
Lodging occupancy rates (%)	May 89	72.7	6.3	64.6	6.4
10. GOVERNMENT					
Total government employment** (000)	May 89	145.3	2.7	146.2	2.5
Federal employment** (000)	May 89	31.1	2.6	30.6	0.3
State employment** @@ (000)	May 89	50.0	2.7	51.5	1.9
Local employment** (000)	May 89	64.2	2.7	64.1	4.1
Total general fund revenues@@@ ($ mil.)	Apr 89	151.0	-6.2	125.7	9.7

Note: selected data items subject to revision.
N Not available.
* Number of persons by place of residence.
** Number of jobs by place of work.
*** Quarterly data seasonally adjusted at annual rates.
& These include wells that are in the following categories: new drillings, deepened, plugged back, reentry and additional zone.
&& Oil and gas combined.
&&& New mortgage loans closed equals the previously carried item "Total loans closed" plus a relatively insignificant additional loan category.
# For example, in the report that contained June 1985 figures this would be the percent change in the average of July 1983 to June 1984 data versus the average of July 1984 to June 1985 data.
Communications and utilities only.
A portion of the increase in lodgers tax receipts is attributable to an increase in the rate levied by the City of Santa Fe. The rate increased from 3 to 4 percent as of July 1, 1987.
@ Passenger traffic includes enplanements and deplanements.
@@ This figure includes full and part time employment at Los Alamos National Laboratory (LANL). Full time equivalent employment (FTE) at LANL is 7,700 as of April 1989 according to LANL Personnel Dept.
@@@ Includes recurring and non-recurring revenues.

Sources: New Mexico Department of Labor: Sections 1, 3, 4, 5, 6, 7, 8, 9, 10;
Dun and Bradstreet, Inc.: Section 1;
U. S. Dept of Commerce, Bureau of Economic Analysis: Section 1;
USDA Statistical Reporting Service: Section 2;
New Mexico Energy, Minerals and Natural Resources Dept., Oil and Gas Conservation Division: Section 3;
New Mexico Taxation and Revenue Dept., Oil and Gas Accounting Division: Section 3;
U. S. Dept. of Energy, Energy Information Administration: Section 3;
U. S. Dept. of Commerce, Bureau of the Census: Section 4;
F. W. Dodge Company (a division of McGraw Hill, Inc.): Section 4;
U. S. Federal Reserve: Section 8;
Federal Home Loan Bank of Dallas: Section 8;
U. S. Federal Deposit Insurance Corporation: Section 8;
New Mexico Energy, Minerals and Natural Resources Dept., Park and Recreation Division: Section 9;
U. S. National Park Service: Section 9;
City of Albuquerque, Albuquerque International Airport: Section 9;
New Mexico Dept. of Finance and Administration, Local Government Division: Section 9;
Pannell, Kerr and Forster: Section 9;
New Mexico Dept. of Finance and Administration: Section 10.

CITIES, COUNTIES AND FEATURES

GROSS RECEIPTS# FROM RETAIL TRADE##
TOP 20 CITIES
($000)

	CURRENT 3 MONTH AVERAGE* MAR-MAY	% CHANGE AVERAGE YEAR AGO	PREVIOUS 3 MONTH AVERAGE* DEC-FEB
Alamogordo	$ 15,636	8.1	$ 14,180
Albuquerque	236,963	10.5	245,983
Artesia	4,916	6.5	5,064
Carlsbad	12,878	23.0	12,019
Clovis	17,243	10.0	16,987
Deming	6,046	13.2	5,837
Espanola	6,566	3.2	6,474
Farmington	29,039	16.5	31,970
Gallup	22,642	5.3	22,604
Hobbs	17,652	1.4	16,024
Las Cruces	38,087	14.3	36,913
Las Vegas	5,988	11.9	5,861
Los Alamos	5,844	16.5	6,322
Portales	5,411	17.7	4,704
Rio Rancho	5,777	15.9	5,727
Roswell	19,547	10.5	19,395
Ruidoso	4,971	12.7	5,691
Santa Fe	51,263	16.8	53,117
Silver City	8,627	18.9	7,875
Taos	7,701	25.7	7,650
State total	672,927	12.2	674,154

\# Gross receipts reported are for gross receipts tax purposes, which do not include all the receipts of all firms.
Estimates for May, 1987 based on incomplete data.
* Averages are used to smooth out fluctuations in the data, which are not caused by changes in economic conditions.
Note: Rio Rancho now replaces Grants in the top 20 cities.

Source: New Mexico Taxation and Revenue Department.

NEW MEXICO CONSTRUCTION
SELECTED CITIES

	NUMBER OF BUILDING UNITS OR PERMITS *				VALUE OF BUILDING PERMITS ($000)			
	MAY 1989	MAY 1988	CUMULATIVE TOTAL THROUGH MAY 1989	CUMULATIVE TOTAL THROUGH MAY 1988	MAY 1989	MAY 1988	CUMULATIVE TOTAL THROUGH MAY 1989	CUMULATIVE TOTAL THROUGH MAY 1988
NEW RESIDENTIAL**								
Alamogordo	7	6	26	43	$ 395	$ 413	$ 1,664	$ 2,358
Albuquerque	149	174	610	1,029	12,399	14,215	47,178	67,178
Carlsbad	1	5	6	22	80	354	439	1,234
Clovis	7	1	47	10	576	82	2,754	711
Farmington	4	2	12	15	302	141	781	812
Hobbs	0	1	2	2	0	97	183	522
Las Cruces	39	60	315	311	2,310	2,875	12,935	13,782
Los Alamos	1	5	6	13	115	638	782	1,724
Rio Rancho***	62	104	365	441	2,901	4,842	17,455	17,984
Roswell	2	4	24	30	141	286	1,691	2,050
Ruidoso	3	7	19	20	304	463	1,250	1,381
Santa Fe	80	26	299	126	5,515	2,382	17,494	8,755
NEW NONRESIDENTIAL								
Alamogordo	9	4	29	27	82	27	702	591
Albuquerque	9	7	17	21	12,852	2,832	49,479	19,925
Carlsbad	5	6	27	28	17	32	331	131
Clovis	0	0	4	5	0	0	548	1,048
Farmington	1	2	2	6	132	110	247	1,522
Hobbs	1	0	5	3	38	0	2,505	372
Las Cruces	5	16	43	57	821	736	2,610	5,828
Los Alamos	0	0	3	5	0	0	49	13
Rio Rancho***	1	2	5	10	88	164	1,238	5,722
Roswell	8	8	37	30	83	20	1,038	553
Ruidoso	0	1	2	2	0	454	481	472
Santa Fe	6	3	24	16	913	295	4,857	2,041

Note: Top twelve cities chosen on basis of residential construction activity during the period 1982 through 1984.
* Residential data shows the number of permitted units, while nonresidential data shows the number of permits.
** Residential data includes both single and multi family units.
*** City of Rio Rancho reported Rio Rancho data.

Sources: City of Rio Rancho: Rio Rancho only;
U. S. Department of Commerce, Bureau of the Census: all others.

CITIES, COUNTIES AND FEATURES (continued)

ESTIMATED CIVILIAN LABOR FORCE AND EMPLOYMENT
(000)

	NEW MEXICO			ALBUQUERQUE MSA*			LAS CRUCES MSA**			SANTA FE MSA***		
	MAY p	% CHANGE YEAR AGO	APRILr	MAY p	% CHANGE YEAR AGO	APRILr	MAY p	% CHANGE YEAR AGO	APRILr	MAY p	% CHANGE YEAR AGO	APRILr
TOTAL CIVILIAN LABOR FORCE	691.3	1.0	683.7	263.8	0.3	262.1	56.7	1.6	54.9	66.3	0.3	64.8
Employment@	646.6	3.0	635.7	250.9	1.6	248.0	53.0	2.7	51.1	63.6	2.1	62.1
Unemployment	44.6	-21.3	48.0	12.9	-19.4	14.1	3.7	-11.9	3.8	2.7	-27.0	2.7
Unemployment rate (%)	6.5	-21.7	7.0	4.9	-19.7	5.4	6.5	-14.5	7.0	4.0	-28.6	4.2
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT	553.3	2.6	550.7	240.3	2.1	239.6	42.1	3.4	42.1	56.0	2.0	55.3
Mining	15.2	-0.7	15.3	0.1	-50.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1
Contract construction	29.9	-2.6	29.2	14.9	0.0	14.6	2.3	4.5	2.3	2.5	-3.8	2.4
Manufacturing	40.7	3.8	40.4	20.5	1.0	20.6	3.6	-2.7	3.6	1.7	6.3	1.7
Durable goods	27.8	4.9	27.6	14.8	0.7	14.9	1.6	0.0	1.6	1.1	10.0	1.1
Nondurable goods	12.9	1.6	12.8	5.7	1.8	5.7	2.0	-4.8	2.0	0.6	0.0	0.6
Transportation & public utilities	28.6	-2.1	28.7	12.7	0.0	12.7	1.4	0.0	1.4	1.1	-8.3	1.1
Trade	134.1	3.7	132.2	61.7	3.0	60.9	9.1	4.6	9.0	11.2	3.7	10.9
Wholesale	23.4	0.9	23.4	14.2	-1.4	14.2	1.0	11.1	1.0	0.9	0.0	0.9
Retail	110.7	4.3	108.8	47.5	4.4	46.7	8.2	5.1	8.1	10.3	4.0	10.0
Finance, insurance, & real estate	27.5	1.9	27.5	15.3	2.7	15.2	1.8	5.9	1.8	1.9	-5.0	1.9
Services	132.0	3.7	131.2	67.1	1.8	67.1	6.7	6.3	6.8	15.1	4.1	14.6
Government	145.3	2.7	146.2	48.0	3.2	48.4	17.2	3.0	17.2	22.6	1.8	22.7
Federal	31.1	2.6	30.6	13.7	1.5	13.6	4.3	0.0	4.2	1.7	0.0	1.6
State	50.0	2.7	51.5	12.7	5.0	13.3	7.1	4.4	7.3	16.8	3.1	16.8
Local	64.2	2.7	64.1	21.6	3.3	21.5	5.8	3.6	5.7	4.1	-2.4	4.3

N Not available, less than 50 jobs.
P Preliminary.
R Revised.

* Bernalillo County.
** Dona Ana County.
*** Santa Fe and Los Alamos Counties.
@ Includes labor disputes.

Source: New Mexico Department of Labor.

Population Estimates by County: 1980 and 1986–1988

County	1980	1986r	1987r	1988p	County	1980	1986r	1987r	1988p
Bernalillo	420,261	474,700	487,300	493,100	McKinley	56,536	64,000	64,[illegible]	66,300
Catron	2,720	2,700	2,800	2,800	Mora	4,205	4,500	4,400	4,300
Chaves	51,103	56,000	55,200	55,500	Otero	44,665	50,800	51,300	50,800
Cibola	30,346	21,500	21,400	21,400	Quay	10,577	11,600	11,600	11,400
Colfax	13,667	14,200	13,800	13,600	Rio Arriba	29,282	32,000	32,300	32,600
Curry	42,019	43,200	43,300	42,500	Roosevelt	15,695	16,700	16,500	16,400
De Baca	2,454	2,300	2,300	2,200	Sandoval	34,400	51,900	56,700	60,200
Doña Ana	96,340	123,400	128,400	132,000	San Juan	81,433	91,100	88,800	86,700
Eddy	47,855	51,900	49,900	48,800	San Miguel	22,751	25,100	25,000	25,000
Grant	26,204	26,800	26,800	27,200	Santa Fe	75,519	89,000	92,100	93,400
Guadalupe	4,496	4,300	4,200	4,100	Sierra	8,454	9,500	9,700	9,700
Harding	1,090	1,000	1,000	1,000	Socorro	12,566	14,500	14,400	14,500
Hidalgo	6,049	6,000	6,000	5,900	Taos	19,456	22,000	21,700	21,700
Lea	55,993	63,900	59,600	58,300	Torrance	7,491	9,200	10,000	10,100
Lincoln	10,997	13,700	13,500	13,400	Union	4,725	5,000	4,700	4,600
Los Alamos	17,599	19,200	19,400	19,100	Valencia	30,769	38,000	39,100	40,200
Luna	15,585	17,700	18,100	18,100	New Mexico	1,303,302	1,477,000	1,496,000	1,507,000

p Provisional.
r Revised.
Source: U.S. Department of Commerce, Bureau of the Census and Bureau of Business and Economic Research, UNM.

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(Continued from Page 1)

there was a big difference between Bernalillo County residents and residents outside Bernalillo County (Rest of New Mexico). Bernalillo County residents were more optimistic about the U.S. economy than they were about the New Mexico economy, by a small margin (US—89.8, NM—89.0). In the rest of New Mexico, however, residents were more optimistic about New Mexico by a rather wide margin (US—88.3, NM—92.6).

This corresponds to recent improvements in various economies outside Bernalillo County, including the continued expansion of the Transportation Manufacturing Corporation in Roswell (Chaves County), new hiring at the potash mines in Carlsbad (Eddy County), the re-opening of the Molycorp molybdenum mine near Questa (Taos County), expanded coal seam gas drilling in the Farmington area, and improvement in the copper industry in Silver City (Grant County).

Lawrence A. Waldman, Economist

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Bureau of Business and Economic Research
Institute for Applied Research Services
The University of New Mexico
Albuquerque, NM 87131
(505) 277-2216

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